RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL HEARINGS SECTION

OIL AND GAS DOCKET NO. 08-0275215 IN THE WOLFBONE (TREND AREA) FIELD, REEVES COUNTY, TEXAS

FINAL ORDER

APPROVING THE APPLICATION OF CLAYTON WILLIAMS ENERGY, INC.
FOR A PERMANENT EXCEPTION TO STATEWIDE RULE 32 FOR THE
CHK STATE 188-13 LEASE, WELL NO. 1
WOLFBONE (TREND AREA) FIELD
REEVES COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on April 4, 2012, the presiding examiners have made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; that the proposed application is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the examiners' report and proposal for decision, the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that Clayton Williams Energy, Inc. is hereby granted a permanent exception to Statewide Rule 32 for the CHK State 188-13 Lease, Well No. 1 (API No. 42-389-32828), in the Wolfbone (Trend Area) Field, Reeves County, Texas. Clayton Williams Energy, Inc. is authorized to flare up to 100 MCFGPD in CHK State 188-13 Lease, Well No. 1 (API No. 42-389-32828) indefinitely. The authority is granted, provided all production is reported on the appropriate Commission forms.

The operator shall file for each well the Statewide Rule 32 Exception Data Sheet and, shall file at the same time, the appropriate Commission required administrative Statewide Rule 32 Exception gas flaring fee.

Done this 24th day of April, 2012.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated April 24, 2012)